SENATE BILL REPORT

SB <u>5375</u>

As Reported By Senate Committee On: Law & Justice, March 1, 1995 Ways & Means, March 6, 1995

Title: An act relating to suspension of licenses for failure to pay child support.

Brief Description: Suspending various licenses for failure to pay child support.

Sponsors: Senators Wojahn, McCaslin, Haugen, Deccio, Franklin, Spanel, Kohl, Snyder, Quigley, Prentice, Oke and Moyer.

Brief History:

Committee Activity: Law & Justice: 1/31/95, 3/1/95 [DPS-WM].

Ways & Means: 3/3/95, 3/6/95 [DPS (LAW)].

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5375 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Smith, Chair; C. Anderson, Vice Chair; Hargrove, Haugen, Long, McCaslin, Quigley and Rinehart.

Staff: Susan Carlson (786-7418)

Background: The Office of Support Enforcement has a number of tools available to assist in the collection of child support. These include wage withholding, employer reporting of new hires, interception of income tax refunds, reporting of debts to credit bureaus, and seizure and sale of assets. However, in many cases, such as those involving persons who are self-employed, or involving persons whose assets are owned jointly with other people, these tools are not effective.

Some states have increased child support collections by implementation of programs requiring the suspension of a driver's license or other license if a person becomes delinquent on child support obligations. It has been suggested that a similar program should be implemented in Washington.

Summary of Substitute Bill: A program of license suspension for noncompliance with a child support order is established in the Department of Social and Health Services Child Support Division. Noncompliance with a child support order means that a parent has accumulated arrearages totaling more than six months of child support payments, or has failed to make payments towards an arrearage in an amount that exceeds six months of payments.

Licenses subject to suspension under the program are driver's licenses, business and professional licenses granted pursuant to Title 18 RCW, and licenses to practice law.

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License suspension is initiated by the department by serving a notice of noncompliance with a child support order on the obligor. The obligor has 20 days to respond to the notice and may request a hearing, pay the arrearages in full, or request an opportunity to make arrangements with the department for a payment schedule. If the obligor requests a hearing, the issues that may be considered at the hearing are limited to whether the parent is required to pay child support and whether the parent is in compliance with the order. If the obligor requests arrangement of a payment schedule, the department is required to make good faith efforts to establish a fair and reasonable payment schedule, considering the financial situation of the obligor and the needs of all children who rely on the obligor for support. If a modification proceeding is pending at the time of service of the notice of noncompliance, license suspension procedures are automatically stayed until entry of a final order. If a motion for modification is filed after service of the notice, the judge has discretion to stay the license suspension proceedings for up to 180 days.

The department may send notice to the Department of Licensing, or other licensing entity, to suspend a license held by an obligor if the parent does not respond to service of the notice of noncompliance, refuses to agree to a reasonable payment schedule, or the hearing requested by the obligor results in a finding that the parent owes arrears. The Department of Licensing, or other licensing entity, is required to send the obligor notice that their license is suspended immediately upon receipt of the notice from the department that the parent is not in compliance with a child support order.

A parent may obtain reinstatement of a license by paying any arrearages in full or agreeing to a payment schedule. The department is then required to provide the parent a written release verifying that the parent is in compliance with the child support order. Upon receipt of a release, the Department of Licensing, or other licensing entity, is required to automatically reinstate the suspended license, as long as the parent continues to meet other conditions required to hold the license.

The Department of Social and Health Services is required to enter into agreements with the various licensing entities to implement the license suspension program. Every three months, the department and each licensing entity must conduct a comparison of persons who are not in compliance with a child support order and licensees. The licensing entities must provide the department the names and other identifying information of licensees who are not in compliance with a child support order.

By December 1, 1996, and annually thereafter, the Department of Social and Health Services is required to provide a report to the Legislature and the Governor regarding the operation of the license suspension program, and any recommendations for changes to the program.

Substitute Bill Compared to Original Bill: The substitute bill revised the definition of noncompliance with a child support order from three months of arrearages to six months, and the \$100 hearing fee was stricken. Instead of limiting a stay of license suspension procedures to a maximum of 120 days, the substitute extended the stay to 180 days, and provided for an automatic stay if a motion for modification is pending at the time of service of the notice of noncompliance. The manner of comparing persons in noncompliance with a child support order with persons who are licensees is left to DSHS and the licensing entities to establish.

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Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The bill provides an effective, additional tool for enforcing child support orders. Other states that have implemented this type of program have collected large amounts of child support, with relatively few license suspensions.

Testimony Against: The bill is a coercive and punishing approach to collecting child support, and does not allow consideration of, or provide state enforcement for, nonperformance by the custodial parent of other provisions of a parenting plan.

Testified: PRO: Senator Wojahn, prime sponsor; Meg Sollenberger, DSHS, Division of Child Support; Nancy Hawkins, NW Women's Law Center; Janet Helson, Evergreen Legal Services; Lonnie Johns-Brown, NOW; Ann Simons, Washington Women United; Tony Lee, Children's Alliance; CON: Bob Hoyden, Michelle Delo, Washington Families for Noncustodial Rights; Howard Langeveld; Ted Heckathorn; David Saline; Jamaica Filgo; Howard Marshack, WSBA Family Law Section.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5375 as recommended by Committee on Law & Justice be substituted therefor, and the substitute bill do pass.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Drew, Fraser, Gaspard, McDonald, Moyer, Pelz, Sheldon, Snyder, Spanel, Sutherland, West, Winsley and Wojahn.

Staff: Linda Brownell (786-7913)

Testimony For: This bill provides a means for more children to live independently. The program works very well in the state of Maine where 17,000 notices were sent out, \$18 million was collected but only nine licenses were revoked. This is a good fiscal course for Washington to follow and other states are pursuing similar legislation.

Testimony Against: The bill will do more harm than good. The suspension of drivers' licenses would prevent people from working.

Testified: Rob Thompson, Division of Child Support, DSHS (pro); Ann Simons, WA Women United (pro); Lonnie Johns-Brown, NOW (pro); Bob Hoyden, WA Families for Noncustodial Rights (con); Ron Colluci (con).